

takes effect, been approved by the county board of equalization, upon which said tax is calculated and extended at a rate other than is prescribed by Section 1 of this act, then it is hereby made the duty of the tax assessor, if said rolls are still in his possession, to immediately return them to said board. If the tax assessor has sent said rolls to the Comptroller of Public Accounts, the collector and county clerk of his county respectively, then the Comptroller of Public Accounts, and the said tax collector and county clerk shall, and it is hereby made their duty, immediately to return to said tax assessor the rolls received from him, and said tax assessor shall immediately upon receipt of all said rolls return them to said county board of equalization.

The county board of equalization, at the regular August, 1905, term of the commissioners court, if said rolls have been returned, or if not then returned, then at a special meeting of said court, to be called and held as soon as practicable after said rolls are returned, shall rescind and revoke its action approving said rolls and return them to the tax assessor for correction of the calculation and extension of said tax to conform to Section 1 of this act.

The tax assessor shall, within ten days from the date of the return to him by said board of said rolls, correct the same by calculating and extending thereon the State ad valorem tax for general revenue purposes at the rate prescribed in Section 1 of this act, and on or before the 11th day after the day upon which said rolls were returned to him by said board, the tax assessor shall again deliver to said board said rolls, verified by his affidavit, as required by Article 5130 of the Revised Statutes, together with all data required by Article 5131 of the Revised Statutes, and said county board of equalization shall, as soon as practicable thereafter, meet and act upon said rolls, as directed by Article 5132 of the Revised Statutes. After said rolls have been approved by said board, the tax assessor shall send one copy of each to the Comptroller of Public Accounts, one copy of each to the collector of his county, and he shall file the other copies in the county clerk's office until the next assessment, when the assessor shall have the right to withdraw them and use as provided in Title CIV of the Revised Statutes.

Section 1c. It shall be unlawful for the Comptroller of Public Accounts to give any assessor an order for the amount due him by the State for assessing the State tax for 1905, as provided by Article 5134 of the Revised

Statutes, unless and until said Comptroller shall have received one copy of each of said assessor's rolls duly approved, upon which said State ad valorem tax for general revenue purposes for 1905 is calculated and extended at the rate prescribed in Section 1 of this act; provided, that no tax assessor shall be entitled to or be paid any compensation whatsoever for making the corrections required by Section 1b of this act.

WILLACY, Chairman.

Minority Report.

Hon. Geo. D. Neal, President of the Senate.

Sir: We, a minority of your Committee on Finance, to whom was referred

House bill No. 3, a bill to be entitled "An Act to provide for the levy and collection of an annual ad valorem State tax for the general revenue purposes, of 25 cents on the \$100 valuation for 1905, and 16 2-3 cents thereafter,"

Beg to report that we do not agree with the majority and report the bill back to the Senate with the recommendation that it do not pass.

PAULUS,
HARPER,
TERRELL,
HARBISON,
FAULK.

ENGROSSING DEPARTMENT.

Committee Room,
Austin, Texas, May 2, 1905.

Hon. Geo. D. Neal, President of the Senate.

Sir: Your Committee on Engrossed Bills have carefully examined and compared

Senate substitute bill No. 4, being "An Act making appropriations for the support of the State government for two years, beginning September 1, 1905, and ending August 31, 1907, and for other purposes,"

And find the same correctly engrossed.

BARRETT, Chairman.

TWELFTH DAY.

Senate Chamber,
Austin, Texas,
Thursday, May 4.

Senate met pursuant to adjournment, Lieutenant-Governor Neal in chair.

Roll call. Quorum present, the following Senators answering to their names:

Barrett.	Holland.
Beaty.	Looney.
Brachfield.	Martin.
Chambers.	McKamy.
Davidson.	Meachum.
Faulk.	Paulus.
Faust.	Skinner.
Glasscock.	Smith.
Griggs.	Stafford.
Harbison.	Stokes.
Harper.	Stone.
Hawkins.	Terrell.
Hicks.	Willacy.
Hill.	

Absent.

Grinnan.	Hanger.
Hale.	

Prayer by the Chaplain, Rev. H. M. Sears.

Pending the reading of the Journal of yesterday, on motion of Senator Hicks the same was dispensed with.

See appendix for Committee report on House bill No. 7.

SIMPLE RESOLUTION.

By Senator Hill:

Senate Chamber,
Austin, Texas,
May 3, 1905.

To Hon. Geo. D. Neal, President of the Senate:

The citizens of Menard County extend to yourself and the members and employees of the Twenty-ninth Senate a most cordial invitation to attend the annual reunion of the Mountain Remnant Brigade of the United Confederate Veterans, to be held at Menardville, Texas, July 26th, 27th and 28th, 1905. A warm welcome and genuine Western hospitality awaits all who may attend.

HILL.

On motion of Senator Faulk the invitation was accepted.

Morning call concluded.

FIRST HOUSE MESSAGE

Hall of the House of Representatives.
First called session Twenty-ninth Legislature.

Austin, Texas,
May 4, 1905.

To Hon. Geo. D. Neal, President of the Senate:

Sir: I am directed by the House to inform the Senate that the House has passed the following

House Concurrent Resolution No. 1, requesting the President of the United States to open negotiations with the treaty making power of the Republic
3—Senate.

of Mexico with the view of attaining a reciprocity treaty with that Republic looking to the encouragement and exportation of grain, grain products, blooded cattle, hogs and hog products and poultry and poultry products to said Republic.

Respectfully,

BARKER,

Chief Clerk, House of Representatives.

The above resolution was read and referred to Committee on Federal Relations.

HOUSE BILL No. 7.—PASSAGE OF

Senator Willacy called up House bill No. 7, and

Moved that the Senate rule requiring committee reports to lay over for one day (the bill having been reported this morning) be suspended for the purpose of considering this bill.

The motion was adopted.

The chair laid before the Senate on second reading,

House bill No. 7, a bill to be entitled "An Act making appropriations for deficiencies in the appropriations heretofore made for the support of the State government for the fiscal years ending February 28, 1901; August 31, 1901; August 31, 1902; August 31, 1903; August 31, 1904, and August 31, 1905, being for claims registered in the Comptroller's office, in accordance with law, and for outstanding claims not registered, and to make additional appropriations for the support of the State government for the year ending August 31, 1905."

On motion of Senator Willacy, the committee report, which recommended that the bill do pass with amendments was adopted.

Bill read second time and passed to a third reading on motion of Senator Willacy: the constitutional rule requiring bills to be read on three several days was suspended and the bill put on its third reading and final passage by the following vote:

Yeas—25.

Beaty.	Looney.
Brachfield.	Martin.
Davidson.	McKamy.
Faulk.	Meachum.
Faust.	Paulus.
Glasscock.	Skinner.
Griggs.	Smith.
Harbison.	Stafford.
Harper.	Stokes.
Hawkins.	Stone.
Hicks.	Terrell.
Hill.	Willacy.
Holland.	

Absent.

Barrett.	Grinnan.
Chambers.	Hale.
Decker.	Hanger.

The bill was read third time and passed by the following vote:

Yeas—24.

Beaty.	Looney.
Brachfield.	Martin.
Davidson.	McKamy.
Faulk.	Meachum.
Faust.	Paulus.
Glasscock.	Skinner.
Griggs.	Smith.
Harbison.	Stafford.
Harper.	Stokes.
Hicks.	Stone.
Hill.	Terrell.
Holland.	Willacy.

Absent.

Barrett.	Hale.
Chambers.	Hanger.
Decker.	Hawkins.
Grinnan.	

Senator Willacy moved to reconsider the vote by which the bill was passed, and lay that motion on the table.

The motion to table prevailed.

MESSAGE FROM THE GOVERNOR.

Executive Office,
Austin, Texas.
May 4, 1905.

To the Legislature:

I present the following additional subject for legislation:

To provide by general law for the incorporation of corporate bodies with banking and discounting powers and privileges, and with any and all other powers and privileges which, under the Constitution of this State, may be conferred upon such corporate bodies; enabling corporations now existing under general or special law of this State having any such powers and privileges, to avail themselves of the benefit of any legislation upon this subject; and providing for the regulation of all such corporate bodies which may or may not avail themselves of any legislation upon this subject; and also the regulation of the business of banking and discounting when done by persons, firms, or unincorporated associations, and generally, to provide by appropriate legislation for giving effect to the provisions of Section 16 of Article 16 of the Constitution of this State as now amended.

S. W. T. LANHAM,
Governor.

BILLS AND RESOLUTIONS.

By Senators Stafford, Stone, Smith, Hicks, Faust, Looney, Chambers, McKamy, Brachfield, Martin, Faulk, Bar-

rett, Paulus, Skinner, Hill, Stokes, Holland, Glasscock, Harbison, Harper, Beaty, Willacy and Griggs.

Senate Bill No. 6, a bill to be entitled "An act to authorize the creation of corporations with banking and discounting powers and privileges, and with trust companies, surety company, fidelity and guarantee company powers and privileges as herein defined, and with power to act as executor, guardian, receiver, assignee, trustee, depository and other fiduciary relations as herein defined; enabling corporations formed under general or special law of this State for any of said purposes to avail themselves of the benefit of this Act; providing for the supervision, regulation and control of such corporations; and adding to the duties of the Commissioner of Agriculture, Insurance, Statistics and History the duties of Superintendent of Banking as herein defined and fixing his compensation for such duties; prohibiting any foreign corporation other than National Banks of the United States, to exercise banking or discounting privileges in this State; prohibiting certain other corporations from using any name which may be confused with those of corporations created under, or availing themselves of the benefits of this Act and requiring private individuals and firms doing a banking business to use the words 'unincorporated,' and providing penalties."

Read and referred to Judiciary Committee No. 1.

Excused.

On motion of Senator Davidson Senator Meachum was excused from attendance upon the Senate from last Saturday, Monday, Tuesday and Wednesday on account of business.

Here Senator Hicks offered committee report on Senate bill No. 6 (see appendix for report of).

President Pro Tem Willacy in the chair.

SENATE BILL NO. 6.

Senator Stafford called up Senate bill No. 6, and moved that Senate rule requiring committee reports to lay over for one day be suspended for the purpose of considering this bill. (The bill having been reported today). The motion was adopted.

On motion of Senator Stafford the committee report, which recommended

that it do pass and be not printed, was adopted.

Senator Stafford moved that the constitutional rule requiring bills to be read on three several days be suspended and the bill put on its second reading.

Senator Davidson moved to table the motion to suspend the constitutional rule, which motion was lost by the following vote:

Yeas—6.

Davidson.	Hawkins.
Faulk.	Meachum.
Glasscock.	Terrell.

Yeas—18.

Beatty.	Martin.
Brachfield.	McKamy.
Faust.	Paulus.
Griggs.	Skinner.
Harper.	Smith.
Hicks.	Stafford.
Hill.	Stokes.
Holland.	Stone.
Looney.	Willacy.

Absent.

Barrett.	Hale.
Chambers.	Hanger.
Decker.	Harbison.
Grinnan.	

Action then recurring on the motion by Senator Stafford to suspend the constitutional rule, and on that motion Senator Davidson moved a call of the Senate, which was duly seconded and was so ordered. The roll was called, the following Senators answering to their names:

Present.

Beatty.	Looney.
Brachfield.	Martin.
Davidson.	McKamy.
Faulk.	Meachum.
Faust.	Paulus.
Glasscock.	Skinner.
Griggs.	Smith.
Harper.	Stafford.
Hawkins.	Stokes.
Hicks.	Stone.
Hill.	Terrell.
Holland.	Willacy.

Absent.

Barrett.	Hale.
Chambers.	Hanger.
Decker.	Harbison.
Grinnan.	

ABSENTEES EXCUSED.

On motion of Senator Stafford the absentees were excused on this bill by the following vote:

Yeas—18.

Beatty.	Martin.
Brachfield.	McKamy.
Faust.	Paulus.
Griggs.	Skinner.
Harper.	Smith.
Hicks.	Stafford.
Hill.	Stokes.
Holland.	Stone.
Looney.	Willacy.

Nays—6.

Davidson.	Hawkins.
Faulk.	Meachum.
Glasscock.	Terrell.

Absent.

Barrett.	Hale.
Chambers.	Hanger.
Decker.	Harbison.
Grinnan.	

Action then recurring on the motion by Senator Stafford to suspend the Constitutional rule and put the bill on its second reading, and the same was lost by the following vote:

Yeas—18.

Beatty.	Martin.
Brachfield.	McKamy.
Faust.	Paulus.
Griggs.	Skinner.
Harper.	Smith.
Hicks.	Stafford.
Hill.	Stokes.
Holland.	Stone.
Looney.	Willacy.

Nays—6.

Davidson.	Hawkins.
Faulk.	Meachum.
Glasscock.	Terrell.

Absent.

Barrett.	Hale.
Chambers.	Hanger.
Decker.	Harbison.
Grinnan.	

SENATE BILL NO. 6.—PRINTED IN FULL.

Following is Senate bill No. 6 in full, printed in the Journal by order of the Senate on motion of Senator Stafford.

By Stafford, Stone, Smith, Hicks, Faust, Looney, Chambers, Barrett, McKamy, Brachfield, Martin, Faulk, Skinner, Hill, Stokes, Holland, Glasscock, Harbison, Harper, Beatty, Willacy and Griggs.

A bill to be entitled an act to authorize the creation of corporations with banking and discount powers and

privileges, and with trust company, surety company, fidelity and guaranty company powers and privileges as herein defined, and with power to act as executor, administrator, guardian, receiver, assignee, trustee, depository and other fiduciary relations as herein defined: Enabling corporations formed under general or special law of this State for any of said purposes to avail themselves of the benefit of this Act; providing for the supervision, regulation and control of such corporations; and adding to the duties of the Commissioner of Agriculture, Insurance, Statistics and History the duties of superintendent of banking as herein defined, and fixing his compensation for such duties; prohibiting any foreign corporation other than national banks of the United States to exercise banking or discounting privileges in this State; prohibiting certain other corporations from using any name which may be confused with those of corporations created under, or availing themselves of the benefits of this Act and requiring private individuals and firms doing a banking business to use the words "unincorporated," and providing penalties.

Be it enacted by the Legislature of the State of Texas:

Section 1. Five or more persons, a majority of whom shall be residents of this State, who shall have associated themselves by articles of agreement, in writing, as provided by the general corporation law, for the purpose of establishing a bank of deposit or discount, or both of deposit and discount, may be incorporated under any name or title designating such business.

Sec. 2. The articles of association shall set out:

(1) The corporate name of the proposed corporation, which shall not be the name of any corporation heretofore incorporated in this State for similar purposes, or an imitation of such name, and which shall include as a part thereof either the word "bank" or "banking."

(2) The name of the city or town and county in which the corporation is to be located.

(3) The amount of the capital stock of the corporation, which shall be divided into shares of \$100 each; that the same has been bona fide subscribed, and actually paid up in lawful money of the United States, and is in the custody of the persons named as the first board of directors or managers.

(4) The names and places of residence of the several shareholders and the number of shares subscribed by each.

(5) The number of directors or managers, and the names of those agreed upon for the first year.

(6) The number of years the corporation is to continue, which in no case shall exceed fifty years.

Such articles shall be signed by and acknowledged by the parties thereto, and filed in the office of the Secretary of State, and a certified copy thereof shall be returned by the Secretary of State to the incorporators, which said certified copy shall be recorded in the office of the County Clerk of the county in which the corporation is to be located; and no certificate of incorporation under this act shall be valid unless at the time the articles of agreement were acknowledged the capital stock therein mentioned shall have been bona fide subscribed and paid up in lawful money.

Sec. 3. Every such corporation shall be authorized and empowered to conduct the business of receiving money on deposit, and allowing interest thereon, and of buying and selling exchange, gold and silver coins of all kinds; of loaning money upon real estate and personal property and upon collateral and personal securities at a rate of interest not exceeding that allowed by law; provided, that no bank organized under this act shall loan more than 50 per centum of its securities upon real estate, and no such bank shall make a loan on real estate of an amount greater than 50 per centum of the reasonable cash value thereof; also of buying, selling and discounting negotiable and non-negotiable paper of all kinds, as well as all kinds of commercial paper.

Sec. 4. No such corporation shall maintain any branch bank, receive deposits or pay checks, except over the counter of and in its own banking house; provided, that nothing in this section shall prohibit ordinary clearing house transactions between banks.

Sec. 5. That the capital stock, which shall be fully paid up, shall not be less than \$10,000 for banks located in towns and cities having less than 2,500 inhabitants, nor less than \$25,000 for banks located in towns and cities having 2,500 or more and less than 10,000 inhabitants, nor less than \$50,000 for banks located in towns and cities having 10,000 or more and less than 20,000 inhabitants, nor less than \$100,000 in towns and cities having 20,000 inhabitants or more. The population of all towns and cities for the purpose of fixing the minimum capital stock of banks under this act shall be ascertained by reference to the last United States census taken prior to their incorporation.

Sec. 6. The affairs and business of every banking corporation shall be managed by a board of directors or managers, consisting of not less than five nor more than twenty-five shareholders, who shall be elected annually, a majority of whom shall be bona fide

resident citizens of the State, and each of whom shall be a bona fide owner of at least ten shares of the capital stock thereof; provided, that where the capital stock of such corporation does not exceed \$10,000, each director shall be a bona fide owner of at least five shares of the capital stock thereof; nor shall any person be a director in any bank against whom such bank shall hold a judgment. Every person who shall be elected director of a bank shall, within thirty days after said election, qualify himself as such director by filing with the officers of such bank a written acceptance of the position, a copy of which said acceptance shall be spread upon the records of the acts of the directors. Failure to comply with this provision within the time specified shall work a forfeiture of the position, and when any vacancy occurs by such failure the board of directors shall, at the next regular meeting thereafter, enter the fact of such vacancy upon their records, and immediately proceed to elect some competent person to fill the vacancy for the unexpired term. In the event of vacancy happening from any cause in the board previous to the annual election, remaining members thereof may fill such vacancy. The board of directors of each and every bank organized under this act shall meet at least once per month and pass upon the business of the bank back to the previous meeting of the board, and shall keep a written record of its approval or disapproval of each and every loan, and at each monthly meeting the records shall show the aggregate of the then existing indebtedness and liability of each of the directors and officers of the bank, and no bills payable shall be made, and no bills shall be rediscounted by the bank except with the consent of the board of directors. No director of a bank in this State shall be permitted to borrow any of the money of the bank of which he is a director in excess of 10 per cent of the capital and surplus, without the consent of a majority of the directors of the bank (other than the borrower) first having been obtained at a regular meeting of the board; said consent to be made a matter of record before loan is made; and no officer, whether a director or not, shall be indebted to such bank in any sum whatever without the consent of the board, obtained and recorded in like manner.

Sec. 7. Every banking corporation shall at all times have an amount of cash on hand and cash due from other banks equal to at least 25 per cent of the aggregate amount of its demand deposits, 10 per cent of which is to be actual cash in the bank. Whenever the reserve of a bank, as hereinbefore required, shall fall below 25 per cent

of the demand deposits, then such bank shall not make any new loans or discounts until it shall, by collections, restore its lawful reserve. The reserve fund, or any part thereof, together with the current receipts, may be kept on hand or on deposit, payable on demand, in any bank or banking association of the State of Texas or under the laws of the United States, approved by the Superintendent of Banking, and having a paid-up capital stock of \$50,000 or more, but the deposits in any one bank or trust company shall not exceed 20 per cent of the total deposits, capital and surplus of said bank.

Sec. 8. Any five or more persons, a majority of whom are residents of this State, who shall have associated themselves by articles of agreement in writing as provided by law, for the purpose of establishing a banking and trust company, may be incorporated under any name or title designating such business.

Sec. 9. The articles of agreement shall set out:

(1) The corporate name of the proposed corporation, which shall not be the name of any other corporation heretofore incorporated in this State for similar purposes, or an imitation of such name.

(2) The name of the city or town and county in which the corporation is to be located.

(3) The amount of the capital stock of the corporation authorized by the articles of agreement; which shall be divided into shares of \$100 each; that said capital is subscribed and actually paid up in lawful money of the United States, and is in the custody of the persons named as the first board of directors or managers.

(4) The names and places of residence of the several shareholders and the number of shares subscribed by each.

(5) The number of the board of directors or managers, and the names of those agreed upon for the first year.

(6) The number of years the corporation is to continue, which in no case shall exceed fifty years.

(7) The purposes for which the association or company is formed, which shall be the establishment of a bank of deposit or discount, or both of deposit and discount, with the power set out in Section 3 of this act, and may include any one or more of the following purposes. (Here copy subdivision 1 to 12, omitting No. 11.)

Sec. 10. The articles of agreement shall be signed and acknowledged by the parties thereto and recorded in the office of the Secretary of State, and a certified copy thereof returned by the

Secretary of State to the incorporators, which shall be filed in the office of the county clerk of the county in which such corporation is to do business.

Sec. 11. Corporations may be created under Section 9 hereof for the purpose of establishing a bank of deposit or discount, or both of deposit and discount, with the powers set out in Section 3 of this act, and any one or more of the following purposes.

(1) To act as the fiscal or transfer agent of any State, municipality, body politic or corporation, and in such capacity to receive and disburse money. To transfer, register and countersign certificates of stock, bonds or other evidences of indebtedness, and to act as agent of any corporation, foreign or domestic, for any lawful purpose.

(2) To receive deposits or trust moneys, securities and other personal property from any person or corporation, and to loan money on real or personal securities.

(3) To lease, hold, purchase and convey any and all real property necessary in the transaction of its business, or which it shall acquire in satisfaction or partial satisfaction of debts due the corporation, under sales, judgments or mortgages, or in settlement or partial settlement of debts due the corporation by any of its debtors.

(4) To act as trustee under any mortgage or bond issued by any municipality, body politic or corporation, and accept and execute any other municipal or corporate trust not inconsistent with the laws of this State.

(5) To accept trusts from and execute trusts for married women, in respect to their separate property, and to be their agent in the management of such property, or to transact any business in relation thereto.

(6) To act under the order or appointment of any court of record as guardian, receiver or trustee of the estate of any minor, the annual income of which shall not be less than one hundred dollars, and as depository of any moneys paid into court, whether for the benefit of any such minor or other persons, corporation or party.

(7) To take, accept and execute any and all such legal trusts, duties and powers in regard to the holding, management and disposition of any estate, real or personal, and the rents and profits thereof, or the sale thereof, as may be granted or conferred to it by any court of record, or by any person, corporation, municipality or other authority; and it shall be accountable to all parties in interest for the faithful discharge of every such trust, duty or power which it may so accept.

(8) To take, accept and execute any and all such trusts and powers of whatever nature or description as may be conferred upon or intrusted or committed to it by any person or persons, or any body politic, corpora-

tion or other authority, by grant, assignment, transfer, devise, bequest or otherwise, or which may be intrusted or committed or transferred to it or vested in it by order of any court of record, and to receive and take and hold any property or estate, real or personal, which may be the subject of any such trust.

(9) To purchase, invest in, guarantee and sell stocks, bills of exchange, bonds and mortgages and other securities; and when moneys, or securities for moneys, are borrowed or received on deposit, or for investment, the bonds or obligations of the company may be given therefor, but it shall have no right to issue bills to circulate as money.

(10) To act as executor under the last will or administrator of the estate of any deceased person; or as guardian of any infant, insane person, idiot or habitual drunkard, or trustee for any convict in the penitentiary under appointment of any court of record having jurisdiction of the estate of such deceased person, infant, insane person, idiot, habitual drunkard or convict.

(11) To guarantee the fidelity and diligent performance of their duty by persons or corporations holding places of private or public profit or trust, in all cases where individual bonds are not required by law; to guarantee or become surety on any bond given by any person or corporation, and to reinsure or guarantee any person or corporation against loss or damage by reason of any risk assumed by insuring the fidelity or the diligent performance of duty of any such person or corporation, or by guaranteeing or becoming surety on any bond. Provided this act shall never be construed as authorizing the granting of a trust not lawful as between individuals.

Sec. 12. The amount of capital stock of any trust company shall not be less than one hundred thousand dollars, nor more than ten million dollars. The property or business of the corporation shall be controlled and managed by directors, not less than five, nor more than twenty-five in number, who shall respectively be stockholders of such corporation, and a majority of whom shall be bona fide citizens of this State, to be elected by ballot by the shareholders of such corporation for one year, if the number of directors of such corporation does not exceed five, at such time and place as shall be directed by the by-laws of such corporation, of which time and place at least two weeks' notice shall be published in some newspaper published at least once a week, in the city or county in which the corporation is located, which circulates in the locality where such corporation is located. Such election shall be made by such shareholders as shall attend in person, or by proxy in writing, and in case the election

shall not be made on the day named the corporation shall not thereby be dissolved, but the election may be had at any other time, agreeably to the by-laws of said corporation, and the persons so elected shall hold their office until others are elected and qualified. If the board of directors of such corporation named in the articles of the association shall exceed five in number they shall, as soon as may be after their organization, divide themselves by ballot into three classes of equal number, as near as may be, designated the first, second and third class, of which the first class shall remain in office one year, the second class two years, and the third class three years, and at each annual election, conducted in the manner heretofore designated, directors shall be elected for the term of three years to fill the vacancies created by the retiring class. In case of the death or resignation of one or more of said directors, the survivors shall fill the vacancy until the next election.

Sec. 13. Any five or more persons who shall have associated themselves by articles of agreement, in writing, may be incorporated as a savings bank, under any name or title designating such business, such agreement in writing to constitute the articles of association of such corporation, and such agreement shall set out:

(1) The corporate name of the proposed corporation, which shall not be the name of any other corporation heretofore incorporated in this State for similar purposes, nor an imitation of such name.

(2) The name of the city, town or county in which such corporation is to be located.

(3) The amount of capital stock of the corporation which shall be divided into shares of one hundred dollars each; and that the entire amount thereof has been subscribed and actually paid up, in lawful money of the United States, and is in possession of the persons named as the first board of directors.

(4) The names and places of residence of the several shareholders, and the number of shares subscribed by each.

(5) The number of the board of directors, and the names of those agreed upon for the first year.

(6) The number of years the corporation is to continue, which in no case is to exceed fifty years.

(7) The purpose for which the corporation is formed.

Sec. 14. The articles of association shall state that the entire amount of the capital stock of such proposed corporation has been paid in and shall be sworn to and shall be signed and acknowledged by the parties thereto, and filed in the office of the Secretary of State, and by him recorded, and a

certified copy returned to the incorporators, who shall record the same in the office of the county of the domicile of such corporation.

Sec. 15. The capital stock of any savings bank shall not be less than ten thousand dollars in cities having a population of more than fifty thousand inhabitants or under, and not less than fifty thousand dollars in cities having a population of more than fifty thousand. The entire amount of capital stock to be subscribed in good faith, and actually paid up in lawful money of the United States at the time of filing of articles of association. Said capital stock, however, shall be regarded as a guarantee fund, for the security of depositors, and shall be invested as provided in Section 17 of this act. And no dividend exceeding ten per cent per annum shall be paid on its capital stock in any event, and no dividend shall be paid except as hereinafter provided.

Sec. 16. Savings banks shall have authority:

(1) To receive and accumulate and safe keep any deposits of money from any persons, corporations or societies, and to invest, hold and repay the same, crediting and paying interest thereon, as in this act authorized and provided, and not otherwise.

(2) At its option, in connection therewith, to take and receive as bailee, for safe keeping and storage only, jewelry, plate, money, specie, bullion, stocks, bonds, securities and valuable papers of any kind, and other valuables, guaranteeing their safety upon such terms and for such compensation as may be agreed upon, and to let out vaults, safes, and other receptacles for the use, benefit and purposes of such corporation.

Sec. 17. All sums so received, except those held as bailee, for safe keeping and storage only, and the income derived therefrom, and all moneys intrusted to any such corporation by order of court, or other lawful authority, shall be invested as follows:

(1) In bonds or interest bearing notes or obligations of the United States, or of those for which the faith of the United States is pledged for the payment of principal and interest.

(2) In bonds of the State of Texas, or of any State in the Union that has not, within the last five years previous to making such investments, defaulted in the payment of any part of either principal or interest thereof.

(3) In bonds of any city, county, town or school district of this State, which has not defaulted in the payment of any part of either principal or interest thereof, within five years previous to making such investments.

(4) In the first mortgage bonds of

any steam railroad, the income of which is sufficient to pay all operating expenses and fixed charges, which has its domicile in the State.

(5) In bonds or notes secured by first mortgage or deed of trust on unincumbered real estate, worth at least twice the amount loaned thereon. But the mortgage investment of such corporation shall not exceed 60 per cent of its total assets.

(6) In real estate sufficient to reasonably furnish a domicile for such corporation, and no more.

Sec. 18. It shall be the duty of the directors of any such savings bank, as soon as practicable, to invest such fund of money, by purchase or otherwise, in the securities mentioned in Section 17 of this act, and from time to time to sell and reinvest the proceeds of such investments, but for the purpose of meeting current demands and expenses in excess of the receipts, any of the securities may be sold or pledged; and there shall be kept an available cash fund of not less than 15 per cent of the whole amount of its assets, and the same, or any part thereof, may be kept on hand or on deposit, payable on demand, in any bank or banking association of the State of Texas, or under the laws of the United States, approved by the superintendent of banking, and having a paid up capital stock of fifty thousand dollars or more, but the deposits in any one bank or trust company shall not exceed 20 per cent of the total deposits, capital and surplus of such savings bank.

Section 19. The property and business of savings banks shall be controlled and managed by a board of directors, not less than five nor more than thirteen in number, who shall be stockholders of the corporation, and a majority of whom shall be bona fide citizens of the State, to be elected by ballot of the shareholders of the corporation for one year, at such time and place as shall be directed by the by-laws of the corporation, of which time and place at least two weeks' notice shall be published in some newspaper published at least once a week in the city or county where such corporation is located. Such election shall be made by such of the shareholders as shall attend in person or by proxy, in writing. In case the election shall not be made on the date named, the corporation shall not thereby be dissolved, but an election may be held any other time, agreeably to the by-laws of the corporation, and the persons so elected shall hold office until their successors are elected and qualified. If the board of directors shall exceed five, they shall, as soon as may be after organization,

divide themselves by ballot into three classes of equal number, as near as may be, designated the first, second and third class, of which the first class shall remain in office for one year, the second class two years and the third class three years, and at each annual election, conducted in the manner hereinbefore designated, directors shall be elected for the term of three years, to fill vacancies created by the retiring classes. In case of death or resignation of one or more of such directors, the survivors shall fill the vacancies until the next election.

The directors shall elect from their number a president, one or more vice presidents, a secretary and treasurer, and may appoint such other officers and agents as they may deem necessary for the proper conducting of the business of the corporation, and may allow them reasonable compensation for services rendered, and the vote of a majority of the full board shall be requisite for the appointment of any officer receiving a salary therefrom, or to fix or increase the salary of any officer. No person shall be disqualified from being a director by reason of his being a director or officer of a bank or savings institution organized under the laws of this State.

The board of directors of any such corporation shall have power from time to time to make such by-laws, rules and regulations as they may think proper for the election of officers, for prescribing their respective powers and duties, and the manner of discharging same; for the appointment of committees, and generally for transacting, managing and directing the affairs of the corporation; provided, such by-laws, rules and regulations be not repugnant thereto, nor inconsistent with the provisions of this act, nor the Constitution of this State, nor of the United States.

Sec. 20. It shall be lawful for any savings bank to purchase, hold, sell and convey real estate, as follows:

(1) The house and lot on which is the domicile of such corporation, and from portions of which, not required for its own use, any revenue may be derived, not to exceed in value 20 per cent of the capital of such association.

(2) Such as shall be purchased by it at sales upon foreclosure of mortgages or deeds of trust owned by such corporations, or upon judgments or decrees rendered for debts due to it, or purchased or taken in settlement to secure such debts, and all such interests shall be sold by such corporation within five years after same shall be vested in it, unless the superintendent shall extend the time within which such sale shall be made. No such cor-

poration, nor any person acting in its behalf, shall negotiate, take or receive a fee, brokerage, commission or gift, or other consideration, for or on account of the loan made by and in behalf of such corporation, other than appears on the face of the note or contract by which such loan purports to be made. But nothing contained herein shall apply to any reasonable charge for services in the examination of title, and the preparation of conveyance to such corporation as security for its loan. All sums paid for services, fees, or otherwise, to a member of the board of directors shall be reported in detail at each regular meeting of the directors. All applications for loans shall be made in writing through the treasurer of the corporation, who shall keep a record thereof, showing the date, name of applicant, amount asked for and security offered, and shall cause the same to be presented to the board of directors.

Sec. 21. Savings banks shall not loan money upon or discount or deal in notes, bills of exchange, or other personal security. The board of directors may, however, make loans to depositors, not exceeding fifty per cent of the amount on deposit by such depositor at the date the loan is made, and in such case the deposit and the book of the depositor shall be held by the corporation as collateral security for the payment of such loan.

Sec. 22. No director shall, directly or indirectly, receive any payment or emolument for his services as such of any savings bank, except as hereinafter provided, and no director or officer of such corporation shall, directly or indirectly for himself, or as agent or partner of others, borrow any of the funds of the corporation, or funds in its custody, or in any manner use the same, except to make necessary current payments for the corporations, or to make investments, or to deposit for safety, under the direction and authority of the board of directors; nor shall any director or officer of such corporation be an indorser or surety, or in any way be an obligor for moneys loaned by or borrowed of the corporation. Whenever a director of such corporation shall borrow, directly or indirectly, any of the funds of the institution of which he is a director or become surety or guarantor for any money borrowed of or loan made by such corporation; or upon his failure to attend regular meetings of the board, or to perform any duties devolved upon him as such director, for three successive months, without having been excused by the board for such failure, the office of such director shall become vacant; but the director vacating his office, for failure to attend meetings,

or to discharge his duties, may, in the discretion of the board, be eligible to re-election.

Sec. 23. Regular meetings of the board of directors of savings banks shall be held at least once in each month, for the purpose of receiving reports of the officers and committees, and for the transaction of other business. A quorum at any regular, special or adjourned meeting shall consist of not less than a majority of directors, but less than a quorum may adjourn from time to time, until the next regular meeting.

Sec. 24. Deposits made with savings banks shall be paid to depositors, or their representatives, when requested, under regulations as the board of directors may prescribe, not inconsistent with the provisions of this act, which regulation shall be printed and conspicuously posted in all places where deposits are received, accessible and visible to all depositors, but no alteration in such regulations shall in any manner affect depositors in respect to any deposits or interest thereon, made prior to such alterations, and it shall be lawful to require sixty days' written notice of the withdrawal of any deposit. Any account may be closed at any time upon notice to the depositor, and after such notice the deposit shall cease to draw interest; provided, nothing in this section shall be so construed as to prevent the issuing of certificates of deposit payable on demand or such other time as may be agreed upon by the depositor and this bank or corporation.

Sec. 25. Whenever any deposit shall be made with any savings bank by or in the name of any person being a minor or a female, being or thereafter becoming a married woman, the same shall be held for the exclusive right and benefit of such depositor, and free from the control or lien of all persons whatsoever, except creditors, and shall be paid, together with the interest thereon, upon production of and proper entry in the pass book at the time of such payment, and in accordance with the by-laws of the corporation, to the person in whose name the deposit shall have been made, and the receipt or acquittance of such minor or female shall be a valid and sufficient release and discharge for such deposit, or any part thereof, to the corporation; and whenever any deposit shall be made by any persons in trust for another, and no other or further notice of the existence and terms of a legal and valid trust shall have been given in writing to the bank, in the event of the death of the trustee, the same or any part thereof, together with the dividends or interest thereon, may be

paid to the person for whom the said deposit was made.

Sec. 26. A pass book shall be issued by savings banks to each depositor, containing the rules and regulations adopted by the board of directors governing deposits, in which book shall be entered each deposit made by and each payment made to such depositor; and no payment or check against any such saving account shall be made unless accompanied by and entered in the pass book issued therefor, except for good cause and on assurance satisfactory to the officers of the bank. At least once in every three years the pass book of all depositors shall be called in and verified in such manner as the board of directors shall elect. The directors may provide for making payments in case of loss of pass book or other exceptional case, where its production may produce loss or serious inconvenience to the parties, and every such corporation shall have the right to limit the aggregate amount which they will receive from any one person or society to such sum as they may deem expedient, and may, in their discretion, refuse to receive the sum offered, and may also at any time return all or any part of any sum received; provided, that the aggregate amount that may be received from any one individual or corporation shall not exceed four thousand dollars, inclusive of dividends. But this limitation shall not apply to moneys arising from judicial sales or trust funds, or if received pursuant to order of a court of record, or to moneys or property received as bailee for safe keeping and storage only.

Sec. 27. No savings bank formed under the provisions of this act shall have a capital stock of more than five million dollars, and any such corporation may increase its capital stock in any amount within the limit of this act, but all increase of stock shall be subscribed for in good faith and shall be paid up in full in lawful money of the United States, at the time of filing the certificate of increase; provided, that stockholders shall have the first right to subscribe to such increase in capital stock in proportion to the amount of stock held by each.

Sec. 28. It shall be the duty of the board of directors of savings banks to regulate, from time to time, the rate of interest to be allowed to depositors out of the net profits, and to pay or credit the same semi-annually on semi-annual interest dates to be fixed by the by-laws; provided, however, that the directors of any such corporation may classify its depositors according to character, amount and duration of their dealings with the corporation, and regulate the interest allowed in such

manner that each depositor shall receive the same ratable portion of interest as all others of the same class.

Sec. 29. Whenever interest at rate of not less than three per cent per annum shall have been paid or credited by savings banks out of the net profits of the current six months on all savings or trust funds which may be entitled thereto, the board of directors may, out of the remaining net earnings of such six months, if any there be, declare and pay a dividend on the capital stock of the corporation, not exceeding the rate of ten per centum per annum on the par value thereof; provided, however, that no such dividends shall be declared or paid until at least one-tenth of the profits of the corporation for such period of six months shall be carried to the credit of the guaranty fund until such fund equals the amount of the capital stock, which fund shall be invested as provided herein for the investment of the capital fund.

Sec. 30. If for any period of six months the net profit shall not be sufficient to pay a dividend on the capital stock of any savings bank, amounting to three per cent for such six months then, if there are any net profits in any succeeding six months' period or periods, over the interest required to be paid depositors for such period or periods, and the amount required to be carried to the guaranty fund, such excess or net profits shall be applied to the arrears of the dividend on the capital stock until such arrears of dividend are paid in full, and no part of the net profit shall be credited on the indemnity fund, as provided in Section 31 of this act, or to the payment of the extra interest to the depositors, as provided in Section 32.

Sec. 31. When the guaranty fund of any savings bank amounts to a sum equal to the capital stock of the corporation, and after interest on the deposits and dividends on the capital stock have been paid, as herein provided, the board of directors shall, at the time of making the regular semi-annual dividends, set aside and reserve from the remaining net profits which have accumulated during the preceding six months, a sum not exceeding one-fourth of one per cent of the total deposits on such interest day, to be known as indemnity fund, until such fund amounts to 10 per cent of the whole deposits, and such fund shall thereafter be maintained and held to meet any contingency or loss from depreciation of securities or otherwise.

Sec. 32. Once in every term of three years if the net profits of savings banks which have accumulated over and above the guaranty and indemnity

funds, as provided in sections 29 and 31, amount to 1 per cent of the deposits which have remained with such corporation for at least one year next preceding, such net profits shall be divided among the depositors whose deposits shall have remained therein at least one year next preceding, in proportion to the amount of interest which has been paid on their deposits during the three years then next preceding. But nothing in this section shall be so construed as to require the payment of any interest on money or property received as bailee for safe keeping and storage only.

Sec. 33. No interest shall be paid or declared by savings banks until the board of directors of such corporation cause an examination to be made of the assets and securities, and find the amount of such interest and dividend has been actually earned and accrued, and no interest or dividend shall be paid or declared unless authorized by a vote of the board of directors, at a regular meeting duly entered on the minutes.

Sec. 34. Notices and rules posted conspicuously by savings banks in the room where such business is transacted, shall be equivalent to a personal notice to each person or party interested.

Sec. 35. In determining the per cent of the guaranty and indemnity funds so held by savings banks, the interest bearing notes and bonds shall not be estimated above their par value, or above their market value if below par; its bonds and mortgages and deeds of trust, not in arrears of interest for a period longer than one year, at their face; its real estate at not above cost. All debts due any savings bank or institution on which the interest is past due for a period of twelve months, unless well secured and in process of collection, shall be considered as bad debts, and shall be charged to profit and loss account at the expiration of that time.

Sec. 36. It shall be lawful for directors, acting as officers of savings banks, whose duties may require their regular and faithful attendance at the institution, to receive such compensation as the majority of the board of directors shall deem just and reasonable; but such majority shall be exclusive of any director to whom such compensation shall be voted. But it shall not be lawful to pay the directors as such for attendance at the meeting of the board.

Sec. 37. The board of directors of savings bank may from time to time require from the officers, employes and agents such security for their fidelity and good conduct as may be necessary.

Sec. 38. The Commissioner of Agriculture, Insurance, Statistics and His-

tory, shall in addition to his duties as now prescribed by law, be superintendent and inspector of all corporations incorporated under the provisions of this act or availing themselves of its provisions, under the title and designation of Superintendent of Banking. He shall give, in addition to the bond now required of him by law, a bond in the penal sum of \$10,000, payable to the State of Texas, with two or more securities, to be approved by the Governor and filed in the office of the Secretary of State conditioned upon the faithful discharge of his duties as Superintendent of Banking. The Secretary of State shall provide the Commissioner of Agriculture, Insurance, Statistics and History, with an official seal with which he shall authenticate all instruments of writing executed by him under this act. The Commissioner of Agriculture, Insurance, Statistics and History shall not be either directly or indirectly, interested in any such corporation and shall receive as compensation or salary, for his services under this act, the sum of \$500 per annum in addition to his compensation as now fixed by law.

Such superintendent shall employ, from time to time, such clerks and examiners as he may need to discharge in a proper manner, the duties imposed upon him by law, who shall perform such duties as he shall assign to them.

Sec. 39. It shall be the duty of such superintendent, at least once in each and every year, either personally or by an examiner, to visit and examine every bank and financial company organized and doing business under the provisions of this act, and which shall receive deposits, and which shall be included under the terms of this act, "bank," "trust company," or "savings bank," as used in this act. The superintendent, or the person or persons appointed by him for that purpose, shall have power in like manner to examine any banking corporation incorporated under this act, whenever in his judgment it may be deemed necessary or expedient. He and they shall have power to administer oaths to any person whose testimony may be required in any such examination. The expense of every general or special examination shall be paid by the bank examined, in such amount as the superintendent shall certify to be just and reasonable; provided, said expense shall be paid in proportion to capital stock as follows:

Any bank, or saving bank, with a capital stock of \$10,000 or less shall not pay more than \$12.50.

Any bank or savings bank with a capital stock of more than \$10,000 and not exceeding \$25,000, shall not pay more than \$15.

Any bank or savings bank with a capital stock of more than \$25,000 and not exceeding \$50,000, shall not pay more than \$20.

Any bank, savings bank or trust company with a capital stock of more than \$50,000 and not exceeding \$100,000 shall pay not more than \$30.

Any bank, savings bank or trust company with a capital stock of more than \$100,000, and not exceeding \$250,000, shall not pay more than \$37.50; and

Any bank, savings bank or trust company with a capital stock of more than \$250,000 shall not pay more than \$75.

Permanent surpluses shall be reckoned in estimating these fees the same as capital stock. The aggregate sum collected from the banks of the State, being reckoned upon a basis to cover the entire expense of the examination of banks, traveling expenses of the superintendent and examiners, the reports required by this act, and a sufficient time for the office work required by the examiner to prepare necessary reports to the superintendent. All sums collected from banks for the purpose of this act to be paid directly into the State Treasury and credited to the State bank examination fund, which is hereby created. Payment for salary to the examiners, and for other expenses under this act, to be made upon the certificate of the superintendent by warrant of the Comptroller upon the State Treasurer. The result of each examination of a bank shall be certified by the examiner upon the record of the corporation examined, and the result of all examinations during the previous year shall be embodied in a report by the superintendent to the Legislature.

Sec. 40. Whenever the superintendent shall have reason to believe that the capital stock of any corporation, subject to the provisions of this act, is reduced, by impairment or otherwise, below the amount required by law, or by its certificate or articles of association, he shall require such corporation to make good the deficiency. Whenever it shall appear to the superintendent, from any examination made by him or his examiners, that any such bank or trust company is conducting its business in an unsafe or unauthorized manner, he shall, by an order under his hand and seal, direct the discontinuance of such illegal and unsafe and unauthorized practices, and strict conformity with the requirements of the law, and with safety and security in its transactions, and if wrong entries or unlawful uses of the funds of such corporation have been made, he or they shall require that such entries shall be corrected and such sums unlawfully paid out shall be restored by the person

or persons responsible for the wrongful or illegal payment thereof; and whenever any corporation shall refuse or neglect to make any such report, as is hereinbefore required, or to comply with any such orders as aforesaid, or whenever it shall appear to the superintendent that it is unsafe or inexpedient for any such corporation to continue to transact business, or that extraordinary withdrawals of money are jeopardizing the interest of remaining depositors, or that any director or officer has abused his trust, or been guilty of misconduct or malversation in his official position; injurious to the institution, or that it has suffered a serious loss by fire, burglary, repudiation or otherwise, he shall communicate the facts to the Attorney General, who shall thereupon institute such proceedings as the nature of the case may require. Such proceedings may be for an order of officers or members of the board of directors for any other remedy suggested by the conditions discovered to the court; and the court, or judge thereof in vacation, before whom such proceedings shall be instituted, shall have power forthwith to grant such orders, and in its or his discretion, from time to time, to modify or revoke the same, and to grant such relief as the evidence, situation of the parties, and the interests involved, shall seem to require. If from an examination made by the superintendent, or by one of his examiners, it shall be discovered that any bank or trust company organized under this act is insolvent, or that its continuance in business will seriously jeopardize the safety of its depositors or other creditors, and if the action is taken from an examination by an examiner, such examiner shall recommend the closing of the bank, then it shall be the duty of the superintendent, if he approves such recommendation, by himself or one of his examiners, immediately to close said bank or trust company, and take charge of all the property and effects thereof. Upon taking charge of any bank or trust company the superintendent shall, as soon as practicable, ascertain by a thorough examination into the affairs, its actual financial condition, and whenever he shall become satisfied that such corporation can not resume business or liquidate its indebtedness to the satisfaction of all its creditors, he shall report the fact of its insolvency to the Attorney General, who shall, immediately upon the receipt of such notice, institute proper proceedings in the proper court for the purpose of having a receiver appointed to take charge of such bank or trust company, and to wind up the affairs

and business thereof, for the benefit of its depositors, creditors and stockholders; and it is made the duty of the court, or the judge thereof in vacation, summarily to appoint said receiver to take possession of the property and assets of said bank, for the purpose of winding up the business thereof, any complaint or opposition of the bank or trust company, or its officers, subsequently to be heard in open court. The superintendent may appoint a special agent to take charge of the affairs of insolvent banks or trust companies temporarily, until a receiver is appointed; such agent to qualify, give bond and receive compensation the same as a regularly appointed bank examiner; such compensation to be paid by the said bank, or allowed by the court, as costs in case of the appointment of a receiver; provided, that in no case shall any bank continue in charge of such special agent for a longer period than sixty days. Any incorporated bank or trust company doing business in this State, under the laws cited in this act, may place its affairs and assets under the control of the Superintendent by posting a notice on its front door as follows: "This institution is in the hands of the Superintendent." The posting of this notice, or of a notice by the Superintendent, that he has taken possession of any bank, shall be sufficient to place all its assets and property, of whatever nature, in the possession of the Superintendent, and shall operate as a bar to any attachment proceedings whatever.

Sec. 41. It shall be unlawful in this State for a bank, savings bank or trust company, organized under this act, to make a voluntary general assignment of its business and affairs. In case it shall find itself to be in a failing condition it shall immediately place itself in the hands of the Superintendent. Any deed of voluntary general assignment, executed by any such bank or trust company, shall be null and void, and in case the officers or directors of any such institution shall endeavor to make any voluntary general assignment of its assets, the Superintendent shall immediately take possession thereof and proceed as heretofore provided in the case of insolvent banks in this State, for the appointment of a receiver by court. All transfers of the notes, bonds, bills of exchange or other evidence of debt, owing to any bank or trust company, organized under this act, or of deposits to its credit; all assignments of mortgages, securities on real estate, or of judgment or decrees in its favor; all deposits of money, bullion or other valuable thing for its use, or for the use of any of its shareholders or creditors,

and all payments of money to it made after the commission of an act of insolvency or in contemplation thereof, made with a view to prevent the application of its assets in the manner prescribed by this act or with a view to the preference of one creditor to another, shall be utterly null and void. No attachment, injunction or execution shall be issued against such bank or trust company, or its property, before final judgment in any suit, action or proceeding in any court.

Sec. 42. If any corporation, subject to the provisions of this act, shall refuse to submit its books, papers and concerns to the inspection of the Superintendent, or any of his examiners, or if any officer or director thereof shall refuse to submit to be examined on oath touching the concerns of said corporation, or if it shall be found to have violated its charter, or any law of the State binding upon it, the Superintendent shall report the fact to the Attorney General, who shall institute such action or proceedings against such corporation as is authorized in section 40 against insolvent banks.

Sec. 43. Every examiner appointed by the Superintendent shall be an expert bookkeeper and bank accountant, and before entering upon the duties of his appointment, take and file in the office of the Secretary of State an oath to support the Constitution of the State, to faithfully demean himself in office, to make fair and impartial examinations, and that he will not accept, as presents or emoluments, any pay, directly or indirectly, for the discharge of any act in the line of his duty other than the remuneration fixed and accorded him by law, and that he will not reveal the condition of any bank or trust company examined by him, or any information secured in the course of any examination of any bank or trust company, to any one except the Superintendent. No such examiner shall be appointed who has not had practical experience in the banking business for at least five years. No such examiner shall be appointed who is an officer or stockholder in any bank organized under this act. No such examiner shall be appointed receiver of any bank whose books, papers and affairs he shall have examined pursuant to his appointment, and every such examiner shall enter into a bond, payable to the State, in the sum of \$10,000, to be approved by the Superintendent and deposited in the office of the State Comptroller, conditioned that he will faithfully perform his duties as such examiner; and in case any such examiner shall knowingly report any such financial company, bank or trust company in

an insolvent condition, or in case he shall report any such financial company, bank or trust company to be solvent, knowing the same to be otherwise, and any person be injured thereby, such person shall have a right of action on such bond for his injuries. Such action shall be brought in the name of the State at the relation of the injured party.

Sec. 44. As full compensation for the performance of the duties of examiner, each person so appointed shall be entitled to receive the salary of \$2000 per annum, besides necessary traveling expenses. An itemized account, which shall be approved by the Superintendent, shall be kept and rendered monthly; provided, that nothing in this act shall authorize the appointment of more than four persons to assist the Superintendent in carrying out the duties imposed by this act, and the persons so appointed shall devote their entire time to the performance of the duties herein provided for.

Sec. 45. The board of directors of any such bank, savings bank or trust company, whenever required thereto by the Superintendent, shall furnish a statement, to be filed in his office, under oath before a notary public, by the president, cashier or secretary, and attested by three of the directors, of the actual condition of the affairs of such bank or trust company at the close of business on the day designated, and which day shall be prior to such call; such statement to be upon the form prescribed by the Superintendent.

Sec. 46. The statement required by section 45 shall be in the following form, to wit:

Official statement of the financial condition of the.....(here insert name of bank), at State of Texas, at the close of business on the day of 19.... published in the a newspaper printed and published at State of Texas, on the day of 19....

RESOURCES.

Loans and discounts, undoubtedly good on personal or collateral...\$....
Loans, real estate.....\$....
Overdrafts\$....
Bonds and stocks.....\$....
Real estate (banking house).....\$....
Other real estate.....\$....
Furniture and fixtures.....\$....
Due from other banks and bankers, subject to check\$....
Cash items\$....
Currency\$....
Specie\$....

Others resources as follows:

.....\$....
.....\$....
Total\$....

LIABILITIES.

Capital stock paid in.....\$....
Surplus fund\$....
Undivided profits, net.....\$....
Due to banks and bankers, subject to check\$....
Individual deposits subject to check\$....
Time certificates of deposit.....\$....
Demand certificates of deposit.....\$....
Cashier's checks\$....
Bills payable and rediscounts.....\$....
Other liabilities as follows:
.....\$....
.....\$....

Total\$....
State of Texas, County of..... ss.

We,, as president, and....., as cashier, of said bank, each of us do solemnly swear that the above statement is true to the best of our knowledge and belief.

..... President.

..... Cashier.

Subscribed and sworn to before me this day of, A. D. nineteen hundred and

Witness my hand and notarial seal on the date last aforesaid.

(Seal.)Notary Public.

Correct—attest:

.....

.....

.....

Directors.

Sec. 47. Publication of this statement shall be made by banking corporations in one or more newspapers published in the town, city or county where it is located, if there is one so published; provided, if said banking corporation is located in a town or city having a population exceeding ten thousand inhabitants, then such publication must be in a daily newspaper, if such is published in such city; but if such corporation is located in a town or city having a population of ten thousand inhabitants or less, then said publication may be in either a daily or weekly newspaper published in said town or city as aforesaid; and in all cases, a copy of the said statement shall be posted in the banking house, accessible to all.

Sec. 48. In all suits brought for the recovery of the amount of any deposits received or debts created, all officers, agents or managers of any bank, savings bank, or trust company, charged with having so assented to the reception of such deposits, or the creation of such debt, may be joined as defendants, or proceeded against severally, and the fact that such banking institution was so insolvent or in failing circumstances at the time of the reception of the deposit, charged to have been re-

ceived, or the creation of the debt charged to have been created, shall be prima facie evidence of such knowledge and assent to such deposit, or creation of such debt on the part of such officer, agent or manager so charged therewith.

Sec. 49. It shall be the duty of the superintendent, not less than twice during any one year, to call upon each bank organized under this act, and trust company or savings bank, doing business under the provisions of this act, for a statement as herein provided, and he may call upon any one or more of such corporations to make such statements at any time, though it be more than a second statement within the year; and the superintendent shall give no notice to any person whomsoever of the day on which he will call for such statement. For a violation of this prohibition, or of any other duty herein imposed upon him, he shall be deemed to have committed a misdemeanor in office, and upon conviction of the same, upon indictment or information of any parties, in the name of the State, before a competent tribunal, he shall be punished by removal from office and by a fine of not less than five hundred dollars for each violation of this law. Should any president, cashier or secretary, or any officer of such corporation, or any director thereof, refuse to make the statement so required of him or them, or willfully and corruptly make a false statement, he or they, and each of them, shall be deemed guilty of a misdemeanor, and upon conviction thereof, upon information, punished by a fine for each offense not exceeding five hundred dollars and not less than one hundred dollars, or by imprisonment, not less than one nor more than twelve months in the city or county jail, or by both such fine and imprisonment.

Sec. 50. The board of directors of any bank or trust company organized under this act may declare a semi-annual or quarterly dividend, if such dividend has been earned, provided the corporation be fully solvent, without such earnings proposed to be divided. But they shall not declare a dividend at any time when the capital of such corporation shall have become impaired to such an extent that it is not worth, in good resources, the full amount paid in after the payment of all liabilities, and any officer or director of such corporation who shall assent to declaring and paying a dividend where the capital stock is so impaired, shall be personally liable to the creditors of the corporation to the amount of his proportion of the proposed dividend, if any loss occur by

reason of the payment of such dividend. When the capital stock shall have become impaired to the extent of 25 per cent thereof, by reason of bad loans or otherwise, then such corporation shall cease to do business, unless such capital stock shall have been made good by assessment within sixty days, or reduced equal to the impairment, in the manner provided in the next section.

Sec. 51. Every corporation doing a banking business in this State may at any time reduce its capital stock to any sum not less than ten thousand dollars, and every trust company may reduce its capital to not less than one hundred thousand dollars, in accordance with the provisions of this act; the capital stock of any corporation doing banking business in this State shall not be reduced below the amount provided for in Section 5, said amount regulated by the population of towns and cities in this State. The capital stock of every trust company so reduced must conform to the provisions of Section 12. The capital stock of savings banks shall not be reduced contrary to the provisions of Section 15 of this act; provided that no reduction of such stock shall be made except upon the written consent of the owners of not less than two-thirds of the stock of such corporation. Notice of the intention to so reduce the capital stock shall be published for thirty days in some daily newspaper in the city or county where such bank is located, or in a weekly paper, for four insertions before the time when such reduction shall be effected, and the last insertion of such notice shall be at least ten days before the date of reduction; provided, that a statement of such reduction of capital stock, acknowledged by the officers of the corporation, shall be recorded and filed in the same manner as provided in Sections 2 and 10 for the original articles of agreement.

Sec. 52. Any bank or trust company doing business in this State may at any time increase its capital stock to any amount not exceeding ten million dollars, in accordance with the provisions of this act, with the consent of the persons holding a majority of the stock of such corporation, which shall be obtained at a meeting of the shareholders, called for that purpose. Upon the presentation of a petition signed by the owner or owners of a majority of the stock, asking for such increase, the board of directors shall call a meeting for the purpose of voting on such proposition, sixty days' notice of which said meeting shall be published in some daily or weekly newspaper printed and published in the city or town in which

the corporation is located, the last insertion to be not more than five days before the day fixed for such meeting, giving the time, place and the amount of the proposed increase. If upon a canvass of the votes at such meeting it is ascertained that the proposition has carried, it shall be so declared by the president of the meeting, and the proceedings entered of record. When the full amount of said proposed increase has been bona fide subscribed and paid in cash to the board of directors of said corporation, then a statement of the proceedings, showing a compliance with the provisions of this act, the increase of capital, actually subscribed and paid up, shall be made out, signed and verified by the affidavit of the president, and countersigned by the secretary, and such statement shall be acknowledged by the president and recorded in the office of the recorder of deeds of the county or city in which such corporation is located; and a certified copy of such recorded instrument shall be filed in the office of the Secretary of State. Upon the filing of such certified copy the Secretary of State shall issue a certificate that such corporation has complied with the law made and provided for the increase of capital stock, and the amount to which said capital stock has been increased. Thereupon the capital stock of such corporation shall be increased to the amount specified, and such certificate or certified copies thereof shall be taken in all the courts of the State as evidence of such increase.

Sec. 53. No incorporated bank, nor trust company in this State organized under this act shall loan its money to any individual, corporation or company, directly or indirectly, or permit any individual, corporation or company, to become, at any time, indebted or liable to it in a sum exceeding twenty-five per cent of its capital stock actually paid in, or permit a line of loans or credits to any greater amount to any individual or corporation; a permanent surplus, the setting apart of which shall have been certified to the Secretary of State, and which can not be diverted without due notice to said officer, may be taken and considered as a part of the capital stock for the purposes of this section. Provided, such surplus is equal to or in excess of fifty per cent of the capital stock of said bank; provided, that the provisions in this section shall not be construed as in anywise to interfere with the rules and regulations of any clearing association in this State in reference to the daily balances between banks; provided, that this section shall

not apply to balances due from correspondents subject to draft; and, provided further, that the discount of the following classes of paper shall not be considered as money borrowed within the meaning of this section, viz.

(1) The discount of bills of exchange, drawn in good faith, against actually existing values.

(2) The discount of paper upon the collateral security of warehouse receipts covering agricultural and manufactured products in store in elevators and warehouses, under the following conditions: First, that the actual market value of the property held in store and covered by such receipts shall, at all times exceed by at least twenty-five per cent the amount loaned upon the same. Second, that the full amount of the loans shall at all times be covered by policies of fire insurance issued by companies admitted to do business in this State, to the extent of their ability to cover such loans, and then by companies having sufficient paid up capital to be so admitted, and all such policies shall be made payable in case of loss to the bank or holder of the warehouse receipts.

Sec. 54. No corporation organized under this act shall employ its moneys, directly or indirectly, in trade or commerce, by buying and selling ordinary goods, chattels, wares and merchandise, or by owning or operating industrial plants; provided, that it may sell all kinds of property which may come into its possession as security for loans, or in the ordinary collection of debts.

Sec. 55. The board of directors of any bank or trust company in this State organized under this act, when it shall declare a dividend, shall first set apart to the surplus fund 10 per cent of the net profits of the bank for the period covered by the dividend until the same shall amount to 50 per cent of its capital stock, and said surplus shall not be diminished except for the payment of any losses which may occur; provided, if there are undivided profits, these shall first be used in payment of such losses.

Sec. 56. The directors of any bank or trust company organized under this act may appoint and remove any officer or other employe at pleasure. The officer or other employe shall have no power to indorse, sell, pledge or hypothecate any notes, bonds or other obligations received by said corporation for money loaned, until such power and authority shall have been given such officer or employe by the board of directors, in a regular meeting of the board, a written record of which pro-

ceedings shall first have been made. Any other officer upon whom the powers of a cashier or treasurer may be imposed by the board of directors, before entering on the duties of their office, shall give good and sufficient bonds, which shall be approved by the board of directors in writing, on the records of the board, upon which bonds no member of the board of directors shall become a surety in such sum, and with such number of sureties as the board may direct, conditioned that they will well and faithfully perform all the duties of their office, and that they (the sureties) will hold the bank or trust company harmless for any loss occasioned by any act of such officer, until all his accounts with the bank or trust company shall have been fully settled and satisfied, said bond to be deposited in some safe place, inaccessible to the maker thereof, or the sureties thereupon; and all acts of indorsing, selling, pledging and hypothecating done by said cashier or other officer or employe of said bank or trust company without the authority of the board of directors shall be null and void.

Sec. 57. Any corporation which has been authorized or may hereafter be authorized to own or control a safety vault and rent the boxes therein may, if the amount due for the use of any safe or box in the vault of such corporation shall not have been paid for two years, at the expiration thereof cause to be sent to the person in whose name such safe or box stands on its books a notice in writing, in a securely closed, postpaid, registered letter, directed to such person at his postoffice address, as recorded upon the books of the corporation, notifying such person that if the amount then due for the use of such safe or box is not paid within sixty days from the date of such notice, the corporation will then cause such safe or box to be opened in the presence of its president, or vice president, or secretary, or treasurer, and of a notary public, not an officer or in the employ of the corporation, and the contents thereof, if any, to be sealed up by such notary public in a package, upon which such notary public shall distinctly mark the name and address of the person in whose name such safe or box stands upon the books of the corporation, and the estimated value thereof. And the package so sealed and addressed, when marked for identification by such notary public, will be placed by such notary public in one of the general safes or boxes of the corporation, and retained by the corporation subject to the payment of all rent that may be unpaid, and of all expenses in-

curred in opening the safe or box, and also of a reasonable compensation for the safe keeping of the contents, after their removal from the safe or box.

Sec. 58. The directors of banks and trust companies created under this act shall have power of investing the moneys placed in their charge in loans secured by real estate or other sufficient collateral security, in public bonds of the United States or of this State, in the bonds of any incorporated city, or county, or independent school district in this State. Such corporation shall own only such real estate as may be required for the transaction of their business, and such as they may acquire in the enforcement and collection of debt or liabilities due to them, which lands so acquired by any such corporation shall be alienated by it within five years after its acquisition to some one not interested directly or indirectly in said company. Dividends of the profits of the corporation may be declared by the trustees or directors thereof every six months or oftener as the directors may elect; but no such dividend shall be made and paid to the stockholders while such corporation is in an insolvent condition, nor shall any dividend be declared which would render such corporation insolvent; and if the directors of any such corporation shall knowingly declare and pay any dividends, when the corporation is insolvent, or of any dividend the payment of which would render it insolvent, they shall be jointly and severally liable for all debts of the corporation then existing, and for all that shall thereafter be contracted while they shall respectively continue in office; provided, that if any of the directors shall object to the declaring of such dividends, or to the payment of the same, and shall, at any time before the time fixed for the payment thereof, file a certificate of their objections in writing with the clerk of the corporation, and with the county clerk of the county, they shall be exempt from the said liability.

Sec. 59. If default shall be made in the payment of any debt or liability contracted by any bank, trust company, surety and guaranty company, savings bank, each shareholder of such corporation, as long as he owns shares therein, and for twelve months after the date of a transfer thereof, shall be personally liable for all debts of such corporation existing at the date of such transfer, or at the date of such default, to an amount additional to the par value of such shares so owned or transferred, equal to the par value of such shares so owned or transferred. And for any losses of money which the cap-

ital stock shall not be sufficient to satisfy the directors of corporations shall be responsible in the same manner and to the same extent that directors are now responsible in law or equity.

Sec. 60. No person holding stock in the corporation as executor, administrator, guardian or trustee, and no person holding such stock as collateral security, shall be personally subject to any liability as stockholder in such corporation; but the person pledging such stock shall be considered as holding the same and shall be liable as stockholder accordingly. And the estate and funds in the hands of such executors, administrators, guardians or trustees shall be liable in like manner and to the same extent as the testator or intestate, or the ward or person interested in such trust fund would have been if he had been living and competent to act and hold the same stock in his own name.

Sec. 61. Every such executor, administrator, guardian or trustee shall represent the shares of stock in his hands at all meetings of the corporation, and may vote accordingly as a shareholder, and every person who shall pledge his stock as aforesaid, may, nevertheless, represent the same at all such meetings, and may vote accordingly as a shareholder.

Sec. 62. The books and all records of the proceedings of such corporation shall be kept open for inspection of all persons interested.

Sec. 63. Any corporation which may hereafter be formed for any of the purposes contemplated by this act may increase or diminish its capital stock by complying with the provisions of this act, in any amount within the limits of this act, and may also extend its business to any other purposes authorized by this act, subject to the provisions and liabilities thereof.

Sec. 64. Whenever any corporation shall desire to call a meeting of its stockholders for the purpose of availing itself of the privileges and provisions of this act, or for increasing or diminishing the amount of its capital stock, or for extending or changing its business, it shall be the duty of the directors to publish a notice, signed by at least a majority of them, in a newspaper in the county, if any shall be published therein, at least sixty days, and to deposit a written or printed copy thereof in the postoffice, postage prepaid, addressed to each stockholder at his usual place of residence at least sixty days previous to the day fixed upon for holding such meeting, specifying the object of the meeting, the time and place when and where

such meeting shall be held, and the amount to which it shall be extended or changed. An affirmative vote of the persons holding the larger amount in value of all the shares of stock shall be necessary to increase or diminish the amount of its capital stock, or to extend or change its business as aforesaid, or to enable a corporation to avail itself of the provisions of this act. The notice provided for in this section shall be published at least once a week, and the first publication must be at least sixty days before the day of such meeting.

Sec. 65. If at any time and place specified in the notice provided for in the preceding section, stockholders shall appear in person or by proxy, in number representing not less than a majority of all the shares of stock at the corporation, they shall organize, by choosing one of the directors chairman of the meeting, and a suitable person for the secretary, and proceed to a vote of those present in person or by proxy; and if on canvassing the vote it shall appear that a sufficient number of votes has been given in favor of increasing or diminishing the amount of capital, or of extending or changing its business as aforesaid, or availing itself of the privilege and provisions of this act, a statement of the proceedings, showing a compliance with the provisions of this act, the amount of capital actually paid in, the business to which it is extended or changed, the amount of assets and liabilities of the corporation, and the amount to which the capital stock shall be increased or diminished, shall be made out, signed and verified by the affidavit of the chairman and be countersigned by the secretary; and such statement shall be acknowledged by the chairman and recorded as provided in Sections 2, 10 and 14; and a certified copy of such recorded instrument shall be filed in the office of the Secretary of State, who shall thereupon issue a certificate that such corporation has complied with the law made and provided for the increase or decrease of capital stock, as the case may be, and the amount to which said capital stock is increased or decreased; and such a certificate shall be taken in all courts of this State as evidence of such increase or decrease of stock; and thereupon the capital stock of such corporation shall be increased or diminished to the amount specified in such certificate, and the business extended or changed as aforesaid, and the corporation shall be entitled to the privileges and provisions and be subject to the liabilities of this act.

Sec. 66. Any company which may

hereafter be organized under the provisions of this act to do business in this State, which shall make the State Treasurer a deposit of \$50,000, consisting of cash treasury notes of the United States or Government, State, county, municipal or other bond, or bonds, notes or debentures, secured by first mortgages or deeds of trust, or mortgages or deeds of trust, or unincumbered real estate in the State, worth at least double the amount loaned thereon, or such other first class securities as the said superintendent may approve, said bonds or securities not to be received or held at a rate above par, but if their market value is less than par, they shall not be held above their actual market value—and which shall satisfy said superintendent of its solvency, and shall have received the certificate of said superintendent that such company has made said deposit and has satisfied him of its solvency—it being hereby made the duty of said superintendent to issue such certificate in accordance with the facts—shall be permitted to qualify as guardian, curator, executor, administrator, assignee, receiver, trustee, by appointment of any court, or under will, or depository of money in court, without giving bond as such, and become sole guarantor or surety in or upon any bond required to be given under the laws of this State, any other statute to the contrary notwithstanding, and whenever any such company shall exhibit to the court, judge, clerk or other officer making such appointment, or whose duty it is to approve such bond the certificate of the superintendent of banking of the State, that such company has complied with the provisions of this act, with respect to said deposit, and proof of solvency, the court or officer making such appointment, or whose duty it is to approve such bond, may appoint such company to such office or trust, and permit it to qualify as such without giving bond, and permit such company to become sole guarantor or surety upon any bond required to be given under the laws of this State, without requiring any other surety therefor. Provided, said company maintain a premium reserve of the amount required to reinsure all outstanding risks, to be determined by taking 50 per cent of the premiums on all unexpired risks that have less than one year to run, and a pro rata of all gross premiums on risks that have more than one year to run, and further that they be required to file with the Insurance Department, within sixty days after the 1st of January of each year, a report, sworn to by president and secretary or by two

of its principal officers, as to the surety and bond business done by the same, and that they shall pay taxes thereon as required of other surety companies. The funds so deposited with the State Treasurer shall be primarily liable for the obligation of such company as guardian, curator, executor, administrator, assignee, receiver, trustee by appointment of the court, or under will, depository of money in court, guarantor or surety, in or upon any bond required to be given under the laws of this State, or other fiduciary capacity under appointment of any court, and shall not be liable for any other debt or obligation of the company until all trust liabilities, as aforesaid, of said company, have been discharged; and all sections of the statutes, so far as the same are applicable and not inconsistent with the provisions of this act, shall apply to all companies doing business under this section. And in case the interest on any security deposited with the State Treasurer under this section shall not be paid at maturity, and shall remain unpaid for six months thereafter, it shall be his duty to require the company which deposited the same to remove them and deposit in their place other securities, equal in amount to those removed, upon which the interest has not been defaulted; provided, that any person or association of persons, or any other corporation, organized under the laws of this State, doing the business specified in this section, shall enjoy the privileges conferred by this section by complying with the provisions thereof. And any corporation organized under the laws of any other State may do the business specified in this section by complying with the laws of this State relating to insurance other than life; provided further, that any company that complies with the provisions of this section shall not exercise any other of the powers enumerated in Section 11 of this act, except such as are mentioned in this section, unless such company shall have, at the time of making such deposit, a paid up capital or surplus of at least one hundred thousand dollars in addition to said deposit of fifty thousand dollars.

Sec. 67. No president, director, manager, cashier or other officer or agent of any bank or banking institution organized and doing business under the provisions of this act, shall receive assent to the reception of deposits, or create and assent to the creation of any debts by such bank or banking institution, after he shall have knowledge of the fact that it is insolvent or in failing circumstances. Every person violating the provisions of this section

shall be individually responsible for such deposits so received, and all debts so contracted; provided, any director who may have paid more than his share of the liabilities mentioned in this section may have the proper remedy at law against such other persons as shall not have paid their full share of such liabilities; and provided further, that in case of the insolvency of one or more of such officers, agents or managers, the same shall be paid, for the time being, by those who are solvent, in equal proportion.

Sec. 68. For any violation of his oath of office, or of any duty imposed upon him by this act, any examiner shall be deemed guilty of a felony, and upon conviction shall be punished by imprisonment in the penitentiary for a term not exceeding five years, and upon indictment of any such examiner for any violation of this act, he shall be disqualified from further discharging the duties of such office until such indictment is fully disposed of.

Sec. 69. Every savings bank organized under this act shall, on or before the first day of November in each year, make a report in writing to the Superintendent of Banking, in such form as he may prescribe, of its condition on the first day of September preceding. Such report shall state the amount loaned on bonds and mortgages, together with a list thereof; the par value and the estimated market value of all bond investments, designating each particular kind, and the amount invested in each; the amount loaned upon pledge of deposits, with a statement of the amount held as collateral for such loans; the amount of cash on hand and on deposit in banks or trust companies, with their names and amount deposited in each; the amount of all assets, including interest accrued and not enumerated above, and such other information as the superintendent may require.

Sec. 70. Such reports shall also state all liabilities of such savings bank on the morning of the first day of September, the amount due depositors, which shall include any dividend to be credited to them for six months on that day and any other claims against the corporation which are or may be charged against its assets. Such reports shall also state the amount of all deposits made during the fiscal year ending that day, and the amount drawn out during the same period; the whole amount of interest received and earned, and the amount of interest paid and credited to depositors, together with the amount of each semi-annual credit of interest; the number of accounts opened and re-opened, the number

closed during the year, and the number of open accounts at the end of such year, and such other information as the superintendent may require.

Sec. 71. Such report shall be verified by the oath of the two principal officers of such savings bank, and the statement of the assets shall be verified by the oath of at least three of the board of directors, who shall examine the same pursuant to the requirements of this section. It shall be the duty of not less than three of the directors on or about the first day of September of each year to thoroughly examine the books, vouchers and assets of such institution, and its affairs generally, and the statement of assets and liabilities reported to the superintendent on the first day of November of each year, shall be based upon such examination; but nothing herein contained shall be construed as prohibiting the directors from requiring such examination at such other times as they shall prescribe. Any such corporation failing to furnish to the superintendent any report or statement required by this act shall forfeit the sum of one hundred dollars per day for every day such report or statement shall be so withheld, and the superintendent may maintain an action, in his name of office, to recover such penalty, and when collected the same shall be paid into the treasury of the State, and be applied to the school fund; but the superintendent may, for sufficient cause, extend the time for making such report, not exceeding thirty days.

Sec. 72. It shall be the duty of the superintendent on or before the first day of February, during the session of the Legislature, to communicate to the Legislature a statement of the condition of every such savings bank from which a report has been received for the past preceding years; also the name and location of the savings banks and institutions for savings authorized by him during the previous two years, with the date of their incorporation.

Sec. 73. It shall be the duty of the superintendent, once in two years, either personally or by one or more competent persons to be appointed by him, to visit and examine every such savings bank in this State. The superintendent shall also have the power in like manner to examine any such corporation whenever, in his judgment, it may be deemed necessary or expedient. The superintendent and every other such examiner shall have the power to administer an oath to any person whose testimony may be required on any such examination, and to compel the appearance and attendance of any such person for the purpose of such ex-

amination, by summons, subpoena, or attachment, in the manner now authorized in respect to the attendance of persons as witnesses in the courts of record of the State; and all books and papers which it may be deemed necessary to examine by the superintendent or examiner so appointed, shall be produced, and their production may be compelled in like manner. The expense of every such special examination, if any, shall be paid by the corporation examined, in such manner as the superintendent shall certify to be just and reasonable; but whenever such special examination shall be made by the superintendent in person, or by one or more of the regular clerks in his department, no charge shall be made except for necessary traveling and other actual expenses. The result of any such examination shall be certified by the examiners, or one of them, upon the records of the corporation examined, and the result of all the regular examinations during the previous year shall be embodied in the annual report of the superintendent, required by this act to be submitted to the Legislature.

Sec. 74. Whenever it shall appear to the said superintendent from any such examination or report that any such savings bank is conducting its business in an unsafe or unauthorized manner, he shall, by an order under his hand and seal, direct the discontinuance of such illegal and unsafe, or unauthorized practices, and strict conformity with the requirements of the law, and with safety and security in its transactions; and whenever any such corporation shall refuse or neglect to make any such report, as is hereinbefore required, or comply with any such orders, as aforesaid, or whenever it shall appear to the superintendent that it is unsafe or inexpedient for any such corporation to continue to transact business, or that extraordinary withdrawals of money are jeopardizing the interests of remaining depositors, or that any director or officer has abused his trust, or been guilty of misconduct or malversation in his official position, injurious to the institution, or that it has suffered a serious loss by fire, burglary, repudiation or otherwise, he shall communicate the facts to the Attorney General, who shall thereupon institute such proceedings as the nature of the case may require. Such proceedings may be for an order restraining the institution from paying more than ten per cent of its funds in any six months, or until a further order of court, or for the removal of one or more of the board of directors, or for the appointment of a receiver or receivers, to wind up the affairs of such corporation. And

the court before which such proceedings shall be instituted shall have the power to grant such orders, and, in its discretion, from time to time, modify or revoke the same, and to grant such relief as the evidence, situation of the parties, and the interests involved shall seem to require; and whenever in such proceedings an order shall be granted, restraining such corporation from paying out or disposing of any money or property of or held by such corporation, the superintendent may, and if directed by the court shall, take temporary possession of all the assets, property and rights of or held by such corporation, and hold such possession until restored to the directors, or until further order of the court.

Sec. 75. Any bank, trust company or savings bank organized under the general or any special laws of this State, whose capital is fully paid up and unimpaired, may, with the consent of a majority of the stockholders, accept the provisions of this act by filing with the Secretary of State a certificate of such acceptance, signed by its president and secretary. The consent of the stockholders of such acceptance may be in writing, or by a vote of the stockholders at any meeting at which all of the stockholders have due notice, and vote in favor of such acceptance. Upon the filing of such certificate of acceptance such corporation shall thereupon become subject in all respects to the provisions of this act, and to the general laws of this State, relating to corporations with like effect as if it had been originally incorporated under the provisions of this act, and it shall take such action as may be necessary to make its corporate organization conform in all respects to the provisions of this act. And when any existing corporation shall determine to avail itself of the provisions of this act, and shall do so by amending its charter or filing a certificate as hereinbefore provided, it shall not thereafter transact any corporate business until it has fully complied with the provisions of this act.

Sec. 76. It shall not be lawful after ninety days from the time this bill takes effect for any incorporated bank, other than corporations chartered by the United States, or trust company, savings bank, or any corporations save and except such as are organized under the provisions of this act, or which take advantage of this act, as provided in Sec. 78 thereof, or corporations created by virtue of the acts of the Legislature passed prior to the adoption of the Constitution of 1876, and now authorized to do business in this State, to advertise or put forth any sign as a

bank, trust company or savings bank, or in any way solicit or receive business as such or as any of such, or to use as their name or part of their name, on any sign, advertising or stationery, the word "bank," "banker," "banking," "trust," "trust company," "savings bank," "savings," or any other term which may be confused with the name of corporations organized under this act; provided, that corporations heretofore organized under the general laws of the State and foreign corporations heretofore or hereafter authorized to do business in this State, authorized by their charters to use such name or parts of names, as are hereby prohibited, may continue to use the same by using thereafter the words "without banking privileges." Any such corporation violating the provisions of this section shall forfeit its charter, or if a foreign corporation, its permit to do business within this State, and the Attorney General shall, upon information lodged with him to that effect, bring an action against such corporation to wind up its affairs, as now provided by law for insolvent corporations, and in addition thereto any corporation or officer or agent thereof who shall offend against those provisions shall forfeit and pay for every such offense the sum of \$100 per day for every day such offense shall be continued, to be sued for and recovered in the name of the State, by Prosecuting Attorneys of the several counties, in any court of cognizance thereof, for the use of the school fund in the county in which such offense shall be committed.

This act shall not apply to corporations chartered by the acts of the Legislature before the adoption of the present Constitution and now authorized to do business in this State, but such corporations may accept any one or more of the provisions of this act by complying as to such provisions with Sec. 78, and shall, as to the provisions so accepted, be subject to the terms of this law as to reports and examinations.

It shall be the duty of private individuals or firms, engaging in the banking business, to use after the name under which the business is conducted the word in parenthesis "unincorporated," and failure to comply with this provision shall subject the offender to a penalty of \$100, to be collected in the manner above provided.

Sec. 77. Whenever the board of directors of any solvent corporation, organized under or subject to the provisions of this act, shall deem it necessary, expedient or desirable to close the business of the corporation, they shall call a meeting of the stockholders to vote upon the proposition to close the busi-

ness of the corporation, first having given sixty days' notice thereof by publication once every week in a newspaper published in the county or city in which such corporation is located; also by mailing notices, at least sixty days prior to the day fixed for such meeting, addressed to the stockholders at their usual place of business or residence. The vote upon such proposition shall be taken by ballot, and the resolution and vote thereon shall be recorded in the minutes of the board of directors. If at such meeting at least two-thirds of the shares of the corporation are voted in favor of such proposition, the board of directors shall proceed to wind up the business of such corporation, as in this section provided, a copy of such proceedings to be certified by the president and secretary of such corporation, shall be filed with the Secretary of State. The board of directors shall thereupon give notice to all depositors, creditors and stockholders of the adoption of such resolution, by publication once a week thereof, in a daily or weekly newspaper, for three months thereafter, and by a written or printed notice, personally served upon or mailed to every depositor, creditor or stockholder of such corporation, at last known residence, postage fully paid. Within six months after the filing of such certificate in the office of the Secretary of State the corporation shall pay all sums due to depositors and creditors whom they can discover, and who claim the moneys due them, and upon the expiration of six months after the filing of such certificate it shall be the duty of the corporation to make a statement from the books of said corporation, certified by the president and secretary, of the names of all depositors and creditors who have not claimed, or have not received the balances to their credit, or due them respectively, and to file the same with the State Treasurer, and to pay the said State Treasurer all such unclaimed deposits, moneys and credits, for the use and benefit of such depositors and creditors. Whenever all the depositors and creditors have been paid in full, or the amounts due those who can not be found, or who have not claimed same, have been deposited with the Treasurer of the State, for their use and benefit, the board of directors shall divide the capital stock, guaranty and indemnity fund, and all other assets, or the proceeds thereof, securities or real estate in which same may have been invested among the stockholders ratably. The board of directors shall thereupon, after having divided the remaining property among the shareholders, as hereinbefore provided, file in the office of the Secretary of State a cer-

tificate surrendering the corporate franchise.

Sec. 78. Any private corporation now incorporated under the laws of Texas possessing banking powers or privileges, or any of the powers or privileges by this act conferred upon savings banks or upon trust companies, may by a vote of the majority of its capital stock accept the provisions of this act and amend its charter, and shall have thereafter such powers as are hereby conferred upon either "banks," "savings banks" or "trust companies." The vote authorizing such amendment shall be certified to the Superintendent of Banking, together with an application as provided herein, and upon compliance with all the other requirements of this act for the organization of corporations hereunder, the Superintendent of Banking shall issue his certificate as provided herein, authorizing such amendments, and thereafter such corporation shall be authorized to do business under and subject to the terms of this act, with succession from the date of said amendment of its charter for the term herein specified for corporations organized hereunder. Corporations amending their charters as herein provided shall have the right to continue business under their corporate names, as designated by the charter amended, or by any name to which it may have been changed by amendments made under and by virtue of the existing general laws of the State of Texas.

Sec. 79. No foreign corporation other than the National banks of the United States shall be permitted to do a business of banking and discount in this State.

Sec. 80. Corporations created for the purposes mentioned in this act are hereby declared to be charged with the public use.

Sec. 81. The great necessity for this law, there being no law existing upon the subject that is sufficient to enable the people of this State to form corporations with banking privileges, creates a public necessity, and an emergency requiring that the rule that bills be read on three several days in each house be suspended, and the same is hereby suspended, and that this act take effect and be in force from and after its passage, and it is so enacted.

SECOND HOUSE MESSAGE.

Hall of the House of Representatives,
First Called Session.
Twenty-ninth Legislature.
Austin, Tex., May 4, 1905.
Hon. Geo. D. Neal, President of the Senate.
Sir: I am directed by the House to

inform the Senate that the House, in accordance with Senate concurrent resolution No. 1 has appointed the following on the part of the House: Onion, Von Rosenberg, Gafford.

BOB BARKER,
Chief Clerk House of Representatives.

RECESS.

On motion of Senator Holland the Senate recessed till 3 o'clock this evening.

AFTER RECESS.

The Senate was called to order by Lieutenant Governor Neal.

THIRD HOUSE MESSAGE.

Hall of the House of Representatives,
First Called Session
Twenty-ninth Legislature,
Austin, Texas, May 4, 1905.

Hon. George D. Neal, President of the Senate.

Sir: I am directed by the House to inform the Senate that the House refused to concur in Senate amendments to House bill No. 7 and a free conference committee is requested. The following have been appointed on part of the House:

Murray, Bennett, Ayars, Peeler, Davis of Williamson.

Respectfully,
BOB BARKER,
Chief Clerk, House of Representatives.

FREE CONFERENCE COMMITTEE APPOINTED.

The Chair appointed the following free conference committee on part of the Senate on House bill No. 7: Senators Willacy, Skinner, Faulk, Terrell and Faust.

ADJOURNMENT.

There being nothing before the Senate, on motion of Senator Hicks the Senate adjourned till tomorrow morning at 10 o'clock.

APPENDIX.

(Committee Reports.)

FINANCE.

Committee Room,
Austin, Texas, May 3, 1905.
Hon. Geo. D. Neal, President of the Senate.
Sir: Your Committee on Finance, to whom was referred

House bill No. 7, a bill to be entitled "An Act making appropriations for deficiencies in the appropriations heretofore made for the support of the State government for the fiscal years ending February 28, 1901; August 31, 1901; August 31, 1902; August 31, 1903; August 31, 1904, and August 31, 1905, being for claims registered in the Comptroller's office in accordance with law, and for outstanding claims not registered, and to make additional appropriations for the support of the State government for the year ending August 31, 1905,"

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass, with the following amendment:

Strike out all after the enacting clause, and insert the following in lieu thereof. We further recommend that the bill be not printed:

Public Buildings and Grounds.

Feed for teams year ending August 31, 1903	\$75 00
Water, light, fuel and contingencies for year ending August 31, 1904	9,000 00
Water, light, fuel and contingencies for year ending August 31, 1905	9,000 00

State Lunatic Asylum.

To cover damage to roof of kitchen building, year ending August 31, 1904	529 00
---	--------

Southwestern Insane Asylum.

Support, maintenance, groceries, fuel, light, water, mileage and pay of board of managers, medical stores and surgical instruments for year ending August 31, 1904	5,000 00
Repairs to building caused by fire, year ending August 31, 1904	4,014 00
Expenses of architect, supervising foregoing repairs, year ending August 31, 1904	201 65

State Orphan Home.

General maintenance necessary to support the Home, including the purchase of all beddings, clothing, furniture or other supplies necessary for the comfort of the inmates of the Home, including pay for board of trustees at \$60

per year and mileage, for year ending August 31, 1903	2,000 00
Fuel, year ending August 31, 1904	800 00
General maintenance necessary to the support of the Home, including the purchase of all bedding, clothing, furniture and all other supplies necessary for the comfort of the inmates of the Home, including pay for the board of trustees at \$60 per year and mileage year ending August 31, 1904	2,500 00
Transportation year ending August 31, 1904	100 00

Southwest Texas Normal School.

Maintenance year ending August 31, 1904	18,200 00
Maintenance year ending August 31, 1905	18,200 00

Blind Asylum.

Dry goods and clothing for indigent pupils for fiscal year ending August 31, 1905	500 00
Fuel for fiscal year ending August 31, 1904	500 00
Fuel for fiscal year ending August 31, 1905	500 00
To purchase new engine ..	600 00

Deaf, Dumb and Blind Asylum (Colored).

Groceries and miscellaneous year ending August 31, 1904	700 00
---	--------

Confederate Home.

Groceries, fuel, lights, water, feed, and to enlarge kitchen, including pay for monthly meetings and mileage of board of managers year ending August 31, 1904	5,637 24
---	----------

State Purchasing Agent.

For contingent expenses year ending August 31 1904	300 00
--	--------

Department of Public Health and Vital Statistics.

Miscellaneous expenses year ending August 31, 1904..	5,000 00
--	----------

Comptroller's Office.

Postage, telegraphing, express and office furniture

year ending August 31, 1904	260 00	Miscellaneous.	
Adjutant General's Office.		To refund to liquor dealers the proportionate amount of taxes paid by them for the unexpired terms of their licenses in local op- tion districts for the four years ending August 31, 1905, registered and esti- mated	25,800 00
Handling and transporta- tion of ordnance stores and quartermaster's sup- plies, labor, and arsenal, and repairs to arms and inspection of arms and troops year ending August 31, 1904	500 00	Sec. 2. That the following sums, or so much thereof as may be necessary, be, and the same are hereby appropri- ated out of any money in the State Treasury not otherwise appropriated, for the support of the State Govern- ment for the fiscal year ending August 31, 1905, the same being supplemental to appropriations heretofore made for the same purpose.	
Payment of and transporta- tion and subsistence for the Texas Volunteer Guard when called into active service under the law, and for the transportation and maintenance of Texas Vol- unteer Guard, for camps of instruction and for all other military expenses year ending August 31 1904	1,000 00	Judiciary Department.	
Stationery, postage and tel- egraphing for year ending August 31, 1904	200 00	Fees of sheriffs, clerks and attorneys in felony cases \$70,000 00 Expenses of subpoenaed and attached witnesses..	40,000 00
Board of Public Printing.		State Orphan Home.	
Advertising State business for year ending August 31, 1904	1,000 00	Postage and stationery ...	50 00
Judiciary Department.		For electric lights	600 00
Fees of subpoenaed and at- tached witnesses for year ending February 28, 1901, registered	358 34	For lumber and repairs	200 00
For salaries of district judges year ending Au- gust 31, 1903	601 60	Blind Asylum.	
Fees for county judges, county attorneys, justices of the peace, sheriffs and constables in examining trials for the year ending August 31, 1903, regis- tered	69 70	For transportation of indi- gent pupils	500 00
Estimated	50 00	For fuel	1,000 00
Fees and costs of sheriffs, clerks and attorneys in felony cases for the year ending August 31, 1903, registered	4,801 15	For water and lights	300 00
Estimated	1,500 00	Groceries, provisions, sup- plies, printing, medicines, supplies for oculist	2,000 00
Fees and costs of sheriffs, clerks and attorneys in fel- ony cases for the year end- ing August 31, 1904, regis- tered	59,634 95	For dry goods and cloth- ing for indigent pupils..	500 00
Estimated	10,000 00	Deaf, Dumb and Blind Asylum (Col- ored).	
Fees of subpoenaed and at- tached witnesses for year ending August 31, 1904, registered	34,523 04	Clothing for indigent pupils	203 00
Estimated	5,000 00	Groceries and Miscellaneous	200 00
		Sec. 3. That the following sums, or so much thereof as may be necessary be, and the same are hereby appropri- ated out of any money in the State Treasury not otherwise appropriated for other deficiencies incurred in sup- port of the State government, for the period beginning September 1, 1901, and ending August 31, 1905.	
		General Land Office.	
		To pay Austin Book and Stationery Company for vellum blue print and in- struments for draftsmen for fiscal year ending Au- gust 31, 1904	94 10

Comptroller's Office.		To pay for publication of proclamation of Governor regarding proposed amendments to the State Constitution relating to pensions for Confederate soldiers.	
For books and stationery for fiscal year ending August 31, 1904	31 31		1,938 56
Adjutant General's Office.		Recapitulation.	
To pay L. P. Sieker, quartermaster for months of July and August, 1904 (salary)	250 00	Public Buildings and Grounds	18,075 00
Department of State.		State Lunatic Asylum.....	4,735 65
To pay Southwestern Telephone and Telegraph Company exchange services for months of April, May, June, July and August, 1904	15 00	State Orphan Home	5,400 00
Blind Asylum.		Southwest Texas Normal School	36,400 00
To pay Houston Packing Company for beef, etc., fiscal year ending August 31, 1903 ..	38 78	Blind Asylum	2,100 00
Deaf, Dumb and Blind Asylum (Colored).		Deaf, Dumb and Blind Asylum (Colored)	700 00
For maintenance for year ending August 31, 1903..	89 50	Confederate Home	10,637 24
For maintenance for year ending August 31, 1904 ..	52 52	For maintenance for year ending August 31, 1905..	5,000 00
For medical services for year ending August 31, 1904	211 50	State Purchasing Agent ...	300 00
Confederate Home.		Department of Public Health and Vital Statistics	5,000 00
Maintenance for year ending August 31, 1905.....	5,000 00	Comptroller's Office	260 00
For medical services from October 1, 1904, to February 1, 1905	64 00	Adjutant General's Office ..	1,700 00
Southwestern Insane Asylum.		Board of Public Printing..	1,000 00
To pay Armour Packing Company for beef for fiscal year ending August 31, 1902	498 64	Judiciary Department	117,538 78
State Lunatic Asylum.		Miscellaneous	25,800 00
For maintenance for year ending August 31, 1903 ..	455 87	Recapitulation of deficiencies as supplemental to appropriations made for the support of the State government for the fiscal year ending August 31, 1905.	
For dry goods and clothing for year ending August 31, 1904	45 17	Judiciary Department	\$110,000 00
Miscellaneous.		State Orphan Home	850 00
Salary of the judge of the Sixty-fourth Judicial District to August 31, 1905..	1,395 83	Blind Asylum	4,300 00
Salary of district attorney of the Sixty-fourth Judicial District to August 31, 1905 ..	275 00	Southwestern Insane Asylum	10,498 64
		Deaf, Dumb and Blind Asylum (Colored)	403 00
		Recapitulation of appropriations for deficiencies incurred in the support of the State government for the period beginning September 1, 1901, and ending August 31, 1905.	
		General Land Office	\$94 10
		Comptroller's Office	31 31
		Adjutant General's office..	250 00
		Department of State	15 00
		Blind Asylum	38 78
		Deaf, Dumb and Blind Asylum (Colored)	417 52
		State Lunatic Asylum	501 04
		Miscellaneous	3,609 39
		Total	\$361,655 45
		Sec. 4. Whereas there being no appropriation to pay claims against State herein provided for, which are outstanding and are legal claims against the State, creates an emergency and an imperative public necessity which justifies the suspension of the constitutional rule, requiring bills to be read on three several days in each house, and this act take effect and	

be in force from and after its passage, and it is so enacted.

WILLACY, Chairman.

JUDICIARY NO. 1.

Committee Room,
Austin, Texas, April 4, 1905.
Hon. George D. Neal, President of the Senate.

Sir: Your Committee on Judiciary No. 1, to whom was referred

Senate bill No. 6, a bill to be entitled "An Act to authorize the creation of corporations with banking and discounting powers and privileges, and with trust company, surety company, fidelity and guarantee company powers and privileges as herein defined, and with power to act as executor, administrator, guardian, receiver, assignee, trustee, depository and other fiduciary relations as herein defined; enabling corporations formed under general or special law of this State for any of said purposes to avail themselves of the benefit of this act; providing for the supervision, regulation and control of such corporations; and adding to the duties of the Commissioner of Agriculture, Insurance, Statistics and History the duties of Superintendent of Banking as herein defined and fixing his compensation for such duties; prohibiting any foreign corporation other than national banks of the United States to exercise banking or discounting privileges in this State; prohibiting certain other corporations from using any name which may be confused with those of corporations created under, or availing themselves of the benefits of this act and requiring private individuals and firms doing a banking business to use the words 'unincorporated,' and providing penalties."

Have had the same under consideration and I am instructed to report it back to the Senate with the recommendation that it do pass and be not printed.

HICKS, Chairman.

THIRTEENTH DAY.

Senate Chamber,
Austin, Texas,
Friday, May 5, 1905.

Senate met pursuant to adjournment, Lieutenant Governor Neal in the chair.

Roll call, quorum present, the following Senators answering to their names:

Barrett.	Faulk.
Brachfield.	Faust.
Chambers.	Glasscock.
Davidson.	Griggs.

Hanger.	Meachum.
Harbison.	Paulus.
Harper.	Skinner.
Hawkins.	Smith.
Hicks.	Stafford.
Hill.	Stokes.
Holland.	Stone.
Looney.	Terrell.
Martin.	Willacy.

Absent.

Beaty.	Hale.
Decker.	McKamy.
Grinnan.	

Prayer by the Chaplain, Rev. H. M. Sears.

Pending the reading of the Journal of yesterday, on motion of Senator Hicks, the same was dispensed with.

EXCUSED.

On motion of Senator Davidson, Senator Hanger was excused from attendance upon the Senate for all of last week and for this week up until today on account of sickness in his family and important business.

On motion of Senator Smith, Senators Barrett and Chambers were excused from attendance upon the Senate on yesterday on account of committee work.

MESSAGE FROM THE GOVERNOR.

Executive Office,
State of Texas,
Austin, May 5, 1905.

To the Legislature:

I present the following additional subjects for legislation:

To name the several counties composing the Sixty-third Judicial District and to fix the times for holding the District Courts therein. At the regular session of this Legislature the county of Terrell was created and the same was placed in the Sixty-third District. Owing to the fact that the bill reorganizing said district was defective it was vetoed. It is important that provision should be made for fixing the terms for holding courts in the county of Terrell and the other counties of the district, and hence the entire matter is submitted for your consideration.

Also to create the Jacksonville Independent School District. At the regular session of the Twenty-ninth Legislature there was passed House bill No. 590, entitled "An Act creating the Jacksonville Independent School District, etc." Defects having been discovered in said bill I submit for your consideration the necessity of correct-